

R E M A R K S

It is noted with great appreciation that the Examiner has found allowable subject matter in Claims 3 and 6. However, at this time, the Applicant respectfully decides to argue the broader claims.

Claim 1-2, 4-5 and 7-10 stand rejected under 35 USC 102(b) as being anticipated by Tanaka et al.

In response, the Applicant respectfully submits that the claims recite features not anticipated by Tanaka et al. In particular, such features include "a second quantization parameter representing a second quality or bit rate that is lower than said first quality or bit rate", as recited in Claims 1, 4 and 7.

In addressing this feature in the above rejection, the second quantization step size disclosed in column 15, lines 40-53, of Tanaka et al. is being relied on. However, as can be seen from this portion of Tanaka et al., the second quantization step size is only made either equal to or less than the first quantization step size. Based on this, it is evident that the second quantization step size of Tanaka et al. cannot be reasonably interpreted as providing "a second quality or bit rate that is lower than said first quality or bit rate", as required by the claims.


In page 3, lines 23-25, the present application clearly states increasing the quantization parameter thereby degrading image quality but reducing their bit costs. In contrast, the second

quantization step size of Tanaka et al. is made equal to or less than the first quantization step size, as disclosed in column 15, lines 40-53. This means that the second quantization step size of Tanaka et al. only provides the same or a higher quality or bit rate than the first. In view of this, it is respectfully submitted that the presently recited "second quantization parameter representing a second quality or bit rate that is lower than said first quality or bit rate" is not anticipated by Tanaka et al.

In view of the above-described distinctions, it is respectfully submitted that the invention of Claims 1-2, 4-5 and 7-10 is not anticipated by Tanaka et al. Therefore, it is respectfully requested that the above rejection be reconsidered and withdrawn so that the present application may proceed to issue.

The Commissioner is hereby authorized to credit any overpayment or charge any fee (except the issue fee) to Account No. 14-1270.

Respectfully submitted,

By   
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